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DPD-1676-59  
Copy 5 of 5  
11 March 1959

MEMORANDUM FOR: Audit Liaison Officer

SUBJECT : Lockheed Aircraft Corporation  
Contract Nos. SP-1914 and SP-1916

1. Attached are copies 2 and 3 of a letter from Hal dated March 6, 1959 (DPD-1602-59) which requests an assist in audit of their subcontractor, Baird Atomic Inc.

2. Please submit your report to this office and we will forward two copies to Hal for his use in negotiating a settlement with Baird.

3. For your information the Baird portion covers [REDACTED] equipment. The following is taken from the Memorandum for the Record regarding SP-1914 settlement:

25X1D

25X1D With regard to #389 [REDACTED] the Contractor proposed an increase of \$31,064 over its original estimate to complete. This proposal was made on the basis that they had entered into two separate purchase orders with Baird-Atomic for work on the [REDACTED]. This was as a result of the Project authorizing such work under SP-1914 and SP-1916. However, Baird failed to segregate costs between the two purchase orders and costs became commingled to the point that separation was not feasible. Therefore, Contractor proposed that we assume the actual incurred costs under these two P.O.'s as of 31 January 1958 under SP-1914 and the balance of costs which were to be incurred over the next 6 months against SP-1916. Since the P.O.'s were subject to redetermination, the Contractor proposed to give full benefit of any price reductions achieved, to SP-1916. This proposal was acceptable to the negotiators under the circumstances. In addition, Contractor reduced the \$31,064 by \$6,000 at the meeting. as a result of more recent information from Baird since its 2 April letter.

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Total Reinstatement 25,064."

25X1A

Distribution:

- Orig - [REDACTED] w/cy 2 DPD-1602 [REDACTED]  
2 - [REDACTED] w/cy 3 " " Contracting Officer  
3 - SP-1914 w/cy 1 of DPD-1602-59 Prop Sec  
4 - SP-1916 w/cy 4 of DPD-1602-59 Prop Sec  
5 - Chrono, RI

25X1A

DPD-DD/P: [REDACTED] lmw (12-3-59)

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